GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:264
ANSWERED ON:31.08.2007
MERGER OF NATIONALISED BANKS
Bose Shri Subrata

Will the Minister of FINANCE be pleased to state:

(a) whether any proposal is under consideration of the Government to merge one nationalised bank with the other nationalised bank;

(b) if so, the details thereof;

(c) the time by when the merger of these banks will be made effective;

(d) the details of any such merger that has taken place during the last three years; and

(e) the manner in which the Government proposes to protect the interests of the stakeholders and employees of such banks?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT FOR LOK SAB HA STARRED QUESTION NO.264 FOR 31st AUGUST, 2007 REGARDING MERGER OF NATIONALISED BANKS TABLED BY SHRI SUBRATA BOSE

(a) to (c) & (e): Committee on Banking Sector Reforms (Narasimham Committee) had recommended consolidation in the banking sector as part of wider financial sector reforms. Government is of the view that any proposal for consolidation, by way of merger etc., of one nationalised bank with another nationalised bank, should emanate from the concerned banks with Government playing a supportive role as the common shareholder. While supporting any merger proposal, Government will ensure that the interests of the stakeholders and employees of merging banks are adequately protected. On 25.08.2007, the SBI Board has taken a unanimous decision to merge its wholly owned subsidiary, the State Bank of Saurashtra with itself. The State Bank of Saurashtra Board, meeting on the same day, has also taken a unanimous decision to merge the Bank with the State Bank of India.

(d): No nationalised bank has merged with another nationalised bank during the last three years.